# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:617
ANSWERED ON:09.07.2004
EXTERNAL DEBT
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the country's external debt has increased at an alarming rate during the year 2003;

(b) if so, the details of the external debt position as on June 30,2004;

(c) whether the Government has decided to take any concrete steps to minimise the external debt; and

(d) if so, the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANIKKAM)

(a) No, Sir. As on December 31, 2003, India's external debt stock was Rs. 511,861 crore or US $ 112.13 billion representing an increase of 1.2 per cent in rupee terms or 6.5 per cent in US dollar terms as compared to the debt stock as on 31.12.2002. The higher rate of increase in US dollar terms was due to the depreciation of the US dollar against other constituent currencies.

(b) As per the latest data available, India's external debt stock, as on March 31,2004 stood at Rs. 489,168 crore or US $ 112,593 million.

(c)&(d)The external debt management policy pursued by the Government includes emphasis on raising funds on concessional terms and from less expensive sources with longer maturities, monitoring of short-term debt, prepaying high cost loans and encouraging non-debt creating capital flows.